

ASX RELEASE

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QUAY JOINS EU CONSORTIUM

- *Chemical Imports into EU require pre-registration by 1 December 2008 and REACH approval by 2010*

Quay Magnesium Limited (Quay) has joined the Magnesium REACH consortium (MaREC). This is a consortium of leading users and manufacturers of magnesium products and is based in Germany. MaREC will develop the registration data and information required to register magnesium products for entry to the European Union (EU) after 2010.

REACH is the new European regulation on Registration, Evaluation, Authorisation and Restriction of Chemicals. It entered into force on 01 June 2007. It streamlines and improves the former legislative framework on chemicals in the EU. By 1 December 2008, all importers of chemicals into the EU must pre-register to continue importing chemicals controlled by the REACH program. After that date only pre-registered suppliers will be able to sell into the EU.

The work by the MaREC consortium will be extensive and include ecotoxicological and toxicological testing as required by the European Chemicals Agency. Costs involved in the testing and investigation of magnesium will be shared by the members of MaREC.

Quay's pre-registration will allow its magnesium alloys to continue to be sold to customers in the EU after these new restrictions come into effect.

Quay's participation in this consortium confirms our commitment to the highest technical and environmental standards. Compliance with this new EU regulation will give Quay a competitive advantage over those other producers that choose not to pre-register. It is anticipated that Quays participation may lead to increased sales in Europe. A high level of enquiry as to Quay's membership of this consortium has resulted in new offers of supply from new and existing European customers.

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